



Senator Sherrod Brown

American Recovery and Reinvestment Act *An Investment in Ohio's Rural Infrastructure*

What does the economic recovery package mean for Ohio?

- Creates or saves 133,000 jobs in Ohio.
- Provides critical tax cuts for an estimated 4.5 million middle class Ohioans through the Making Work Pay Tax Credit and relief from the Alternative Minimum Tax for 884,000 Ohioans.
- Saves money, reduces energy consumption, and creates jobs through energy efficiency programs.
- Invests \$68 million in targeted communities hard hit by job loss and high unemployment by retraining dislocated workers and helping communities build regional industry clusters.
- Improves education throughout the state by investing in local school districts and public colleges and universities.

WHAT IS THE DIFFERENCE BETWEEN **FEDERAL COMPETITIVE GRANTS** AND **STATE FUNDING** IN THE ECONOMIC RECOVERY PACKAGE?

- **Federal agencies will be accepting proposals for Federal Competitive Grants beginning in March.** See below for information on how to apply. Program and agency information on energy funding is listed on the reverse of this page. For additional information, visit Senator Brown's website at www.brown.senate.gov or the President's webpage www.recovery.gov.
- Much of the state funding will be distributed via noncompetitive formula grants. The State of Ohio will be distributing this formula funding at its discretion and is accepting project proposals at www.recovery.ohio.gov.

How to Apply for Federal Competitive Grants

The economic recovery package will help to rebuild our economy and put Americans back to work through targeted investment and competitive grants for key programs in vital economic areas.

Requests for Proposals (RFPs) for competitive grants will be available beginning in **March 2009**. In order to apply for a federal competitive grant, you must complete the www.grants.gov registration process.

Please register early so you are prepared to apply for grants as soon as they are available. Additional information about grants will be listed at www.brown.senate.gov as soon as RFPs are available.

How to sign up for Federal Competitive Grants

1. Go to www.grants.gov and complete the online registration.
2. Visit www.brown.senate.gov for important updates.
3. Senator Brown's office will hold Federal Assistance Workshops to help you apply. For more details, please visit www.brown.senate.gov/ohio/constituent_services/workshops/

What does the economic recovery package mean for OHIO'S RURAL INFRASTRUCTURE?

Through the economic recovery funds available for infrastructure improvements across the state, Ohioans will not only benefit from **new jobs** created by rebuilding the state's physical and cyber infrastructure, but Ohioans will also benefit on a daily basis from **newer, better, and stronger roads, bridges, and water systems**. Some of the investments in Ohio's rural infrastructure include:

National Rural Broadband and USDA Rural Wastewater programs (Ohio funding for these programs not yet determined; talk to your USDA rep for information: www.usda.gov or (614) 255-2500)

\$58.9 million Drinking Water State Revolving Fund to address the backlog of drinking water infrastructure

\$224 million Clean Water State Revolving Fund to address the backlog of clean water infrastructure needs

\$935.7 million Highway Funding

\$29.8 million Transit Formula Funding for rural transit

\$84 million HOME funding to rehabilitate affordable housing

To learn more about the State of Ohio's investment of these dollars, please visit www.recovery.ohio.gov

Senator Brown's office will hold Federal Assistance Workshops to help you apply. For details, go to

www.brown.senate.gov/ohio/constituent_services/workshops/

For more information about the economic recovery package, visit www.brown.senate.gov

Federal Competitive Grants – Rural Communities

Listed below are federal programs that received economic recovery package funding of interest to rural communities. Visit the links in the right-hand column for details on each program. Requests for Proposals will be made available from each agency and program.

Broadband Grants

The USDA's Rural Distance Learning, Telemedicine, and Broadband program will receive a **\$2.5 billion** investment. For additional information on rural distance learning, telemedicine and broadband, visit www.usda.gov/rus or www.rurdev.usda.gov/OH/

The Broadband Technology Opportunities Program will receive **\$4.7 billion** for unserved and underserved areas. Of this total, \$200 million will be used to increase public computer center capacity and \$250 million will be used for sustainable broadband. For more information on these grants, visit www.ntia.doc.gov/otiahome/top/grants/grants.htm

PROGRAM	AGENCY	FEDERAL FUNDING	WEBSITE
Brownfields Projects	Department of Interior (Environmental Protection Agency)	\$100 million	www.epa.gov/brownfields
Disaster Assistance Direct Loan Program Account	Department of Homeland Security (Federal Emergency Management Agency)	\$5 million	www.fema.gov/government/recovery
Electricity Delivery and Energy Reliability - Smart Grid Investment	Department of Energy	\$4.5 billion	www.oe.energy.gov/smartgrid.htm
Firefighter Assistance Grants	Department of Homeland Security (Federal Emergency Management Agency)	\$210 million	www.firegrantsupport.com/
National Surface Transportation Discretionary Grants	Department of Transportation	\$1.5 billion	www.dot.gov/citizen_services/grants_loans/
Public Assisted Housing Stability and Energy Efficiency	Department of Housing and Urban Development	\$2.25 billion	www.hud.gov/offices/pih/programs/ph/phecc/index.cfm
Rail Transportation: Intercity and High Speed	US Department of Transportation (Federal Railroad Administration)	\$8 billion	www.fra.dot.gov/us/content/1954
Rural Community Facilities	Department of Agriculture	\$130 million	www.rurdev.usda.gov/rhs/cf/cp.htm
Rural Law Enforcement	Department of Justice	\$125 million	http://www.ojp.gov/recovery/
Supplemental Grants to Public Housing Authorities for Capitol Needs	Department of Housing and Urban Development	\$4 billion	www.HUD.gov

Tax and Finance Provisions for Rural Infrastructure

In addition to the funds available through the state and the federal competitive grants, the economic recovery package includes more than \$285 billion in **tax relief towards investing in Ohio's rural infrastructure.**

Recovery Zone Bonds	\$10 billion in recovery zone economic development bonds and \$15 billion in recovery zone facility bonds could be issued to states during 2009 and 2010. Municipalities receiving an allocation would be permitted to use them to invest in infrastructure, job training, education, and economic development in areas of significant poverty, unemployment, or home foreclosures.
Eliminates Costs of Alternative Minimum Tax (AMT)	The AMT can increase the costs of issuing tax-exempt private activity bonds for State and local governments. This limits the marketability of these bonds, which can force municipalities to issue these bonds at higher interest rates. The economic recovery package excludes all categories of private activity bonds issued in 2009 or 2010 from the AMT and allows AMT relief for current refunding of private activity bonds issued after 2003 and refunded during 2009 and 2010.
Delay on Withholding Requirement on Government Payments	In response to concerns raised by governments and small businesses, the economic recovery package will delay for one year (through December 31, 2011) the current requirement for governments making certain payments for goods and services to withhold at a 3% rate so that the Treasury Department can study the impact of the withholding requirement.
Build America Bonds	For 2009 and 2010, the economic recovery package would provide State and local governments with the option of issuing a tax credit bond instead of a tax-exempt governmental obligation bond. Both provide a subsidy to municipalities by reducing the cash interest payments on debt, but interest paid on tax credit bonds is taxable which is now partly refundable. Governments will also be able to elect to receive this credit as a direct payment from the Federal government.
School Construction Bonds	The economic recovery package creates a new category of tax credit bonds for the construction, rehabilitation, or repair of public school facilities or for the acquisition of land on which a public school facility will be constructed (limited to \$22 billion nationally and to be split evenly between 2009 and 2010).

For more information about the economic recovery package: www.brown.senate.gov
For more information about the tax provisions: www.irs.gov